

care—from the expansion of managed care to spiraling drug prices to the fierce fights for survival and shotgun marriages between hospitals with empty beds and flabby management.

But they are contending that suddenly, in recent weeks, a federal cutback in Medicare spending has begun putting such a financial squeeze on them that it threatens their ability to fulfill their special missions: to handle the sickest patients, to act as incubators for new cures, to treat poor people and to train budding doctors.

The budget hemorrhaging has hit at scattered teaching hospitals across the country, from San Francisco to Philadelphia. New York's clusters of teaching hospitals are among the biggest and hardest hit, the Greater New York Hospital Association says. It predicts that Medicare cuts will cost the state's hospitals \$5 billion through 2002 and force the closure of money-losing departments and whole hospitals.

Here in Boston, with its unusual concentration of academic medicine and its teaching hospitals affiliated with the medical schools of Harvard, Tufts and Boston universities, the cuts are already taking a toll in hundreds of eliminated jobs and pockets of miserable morale.

Five of Boston's top eight private employers are teaching hospitals, Mayor Thomas M. Menino notes. And if five-year Medicare cuts totaling an estimated \$1.7 billion for Massachusetts hospitals continue, Menino says, "We'll have to lay off thousands of people, and that's a big hit on the city of Boston."

Often, analysts say, hospital cutbacks, closings and mergers make good economic sense, and some dislocation and pain are only to be expected. Some critics say the hospitals are partly to fault, that for all their glittery research and credentials, they have not always been efficiently managed.

"A lot of teaching hospitals have engaged in what might be called self-sanctification—'We're the greatest hospitals in the world and no one can do it better or for less'—and that may or not be true," said Alan Sager, a health-care finance expert at the Boston University School of Public Health.

But hospital chiefs argue that they have virtually no fat left to cut, and are warning that their financial problems could mean that the smartest edge of American medicine would get dumbed down.

With that message, they have been lobbying Congress in recent weeks to reconsider the cuts that they say have turned their financial straits from tough to intolerable.

"Five years from now, the American people will wake up and find their clinical research is second rate because the big teaching hospitals are reeling financially," warned Dr. David G. Nathan, president of the Dana-Farber Cancer Institute here.

In a half-dozen interviews around the Boston medical-industrial complex known as the Longwood Medical Center and Academic Area and elsewhere, hospital executives who normally compete and squabble all espoused one central idea: Teaching hospitals are special, and that specialness costs money.

Take the example of treating heart-disease patients, said Dr. Michael F. Collins, president and chief executive officer of Caritas Christi Health Care System, a seven-hospital group affiliated with Tufts.

In 1988, Collins said, it was still experimental for doctors to open blocked arteries by passing tiny balloons through them; now, they have a whole bouquet of expensive new options for those patients, including spring-like devices called stents that cost \$900 to \$1,850 each; tiny rotobladders that can cost up to \$1,500, and costly drugs to supplement the reaming that cost nearly \$1,400 a patient.

"A lot of our scientists are doing research on which are the best catheters and which

are the best stents," Collins said. "And because they're giving the papers on the drug, they're using the drug the day it's approved to be used. Right now it's costing us about \$50,000 a month and we're not getting a nickel for it, because our case rates are fixed."

Hospital chiefs and doctors also argue that a teaching hospital and its affiliated university are a delicate ecosystem whose production of critical research is at risk.

"The grand institutions in Boston that are venerated are characterized by a wildflower approach to invention and the generation of new knowledge," said Dr. James Reinertsen, the chief executive of Caregroup, which owns Beth Israel Deaconess Medical Center. "We don't run our institutions like agribusiness, a massively efficient operation where we direct research and harvest it. It's unplanned to a great extent, and that chaotic fermenting environment is part of what makes the academic health centers what they are."

Federal financing for research is plentiful of late, hospital heads acknowledge. But they point out that the government expects hospitals to subsidize 10 or 15 percent of that research, and they must also provide important support for researchers still too junior to win grants.

A similar argument for slack in the system comes with teaching. Teaching hospitals are pressing their faculties to take on greater loads of patients to bring in more money, said Dr. Daniel D. Federman, dean for medical education of Harvard Medical School. A doctor under pressure to spend time in a billable way, Federman said, has less time to spend teaching.

"Good teaching stops to ask the question 'Why?—Why is this patient anemic?'—and explore the science," Federman said. "That gets squeezed now."

"If you don't ask 'Why?,' nothing moves forward," he added.

The Boston teaching hospitals generally deny that the money squeeze is affecting patients' quality of care, students' quality of education or research. But they say that if the current losses swell as expected, deterioration in all three will inevitably follow.

The Boston hospitals' plight may be partly their fault for competing so hard with each other, driving down prices, some analysts say. Though some hospitals have merged in recent years, Boston is still seen as having an oversupply of beds, and virtually all hospitals are teaching hospitals here.

Whatever the causes, said Stuart Altman, professor of national health policy at Brandeis University and past chairman for 12 years of the committee that advised the government on Medicare prices, "the concern is very real."

"What's happened to them is that all of the cards have fallen the wrong way at the same time," Altman said. "I believe their screams of woe are legitimate."

Among the cards that fell wrong, begin with managed care. Massachusetts has an unusually large quotient of patients in managed-care plans. Managed-care companies, themselves strapped, have gotten increasingly tough about how much they will pay.

Boston had also gone through a spate of fat-trimming hospital mergers, closings and cost cutting in recent years. Add to the troubles some complaints that affect all hospitals: expenses to prepare their computers for 2000, problems getting insurance companies and the government to pay up, new efforts to defend against charges of billing fraud.

But the back-breaking straw, hospital chiefs say, came with Medicare cuts, enacted under the 1997 balanced-budget law, that will slash more each year through 2002. The Association of American Medical Colleges estimates that by then the losses for teaching

hospitals could reach \$14.7 billion, and major teaching hospitals will lose something about \$150 million each. Nearly 100 teaching hospitals are expected to be running in the red by then, the association said last month.

For years, teaching hospitals have been more dependent than any others on Medicare. Unlike some other payers, Medicare has consistently compensated them for their special missions—training, sicker patients, indigent care—by paying them extra.

For reasons yet to be determined, Altman and others say the Medicare cuts seem to be taking an even greater toll on the teaching hospitals than had been expected. Much has changed since the 1996 numbers on which the cuts were based, hospital chiefs say; and the cuts particularly singled out teaching hospitals, whose profit margins used to look fat.

Frightening the hospitals still further, President Clinton's next budget proposes even more Medicare cuts.

Not everyone sympathizes, though. Complaints from hospitals that financial pinching hurts have become familiar refrains. Critics say the Boston hospitals are whining for more money when the only real fix is broad health-care reform.

Some propose that the rational solution is to analyze which aspects of the teaching hospitals' work society is willing to pay for, and then abandon the Byzantine old Medicare cross-subsidies and pay for them straight out, perhaps through a new tax.

Others question the numbers.

Whenever hospitals face cuts, said Alan Sager of Boston University, "they claim it will be teaching and research and free care of the uninsured that are cut first."

If the hospitals want more money, Sager argued, they should allow independent auditors to check their books rather than asking Congress to rely on a "scream test."

For many doctors at the teaching hospitals, the screaming is preventive medicine, meant to save their institutions from becoming ordinary.

Medical care is an applied science, said Dr. Allan Ropper, chief of neurology at St. Elizabeth's Hospital, and strong teaching hospitals, with their cadres of doctors willing to spend often-unreimbursed time on teaching and research, are essential to helping move it forward.

"There's no getting away from a patient and their illness," Ropper said, "but if all you do is fix the watch, nobody ever builds a better watch. It's a very subtle thing, but precisely because it's so subtle, it's very easy to disrupt."

A TRIBUTE TO MARCY VACURA SAUNDERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Marcy Vacura Saunders, the first woman to serve as Labor Commissioner in the State of California. Ms. Saunders' much deserved appointment to this position is an important milestone for working people and to Californians, and a tribute to her remarkable career and lifelong commitment to organized labor.

Ms. Saunders began her professional life as a flight attendant, and achieved the esteemed rank of Acting Chairperson of the Independent Federation of Flight Attendants. She led a successful National Boycott of Conscience

against TWA's Carl Icahn. In 1987, Ms. Saunders joined the Building and Trades Council of San Mateo County. In 1993, she became the first and only woman in the United States to be elected Business Manager of a building trades council.

Mr. Speaker, Ms. Saunders' tireless and unwavering efforts on behalf of the Council membership have assured the gainful employment of countless Californians and improved the quality of life of many Bay Area families. In 1994, under Ms. Saunders' leadership, the Building and Trades Council stimulated a stagnant economy in the City of East Palo Alto through the formation of the East Palo Alto Building & Trades Alliance. In 1996, she helped to obtain resolutions from 12 cities and the County of San Mateo supporting California's prevailing wage laws.

Mr. Speaker, Ms. Saunders has demonstrated a tireless commitment to our community through her extraordinary volunteer service to organizations such as the United Way, the San Mateo County Convention & Visitors Bureau, the San Mateo County Exposition & Fair Association Board, the San Mateo County Commission on the Status of Women, the Redwood City Library Foundation, the San Mateo County/Redwood City Chamber of Commerce, the Soroptimist International, the San Mateo County Economic Vitality Partnership, the Shelter Network, LEADERSHIP San Mateo/Foster City/Burlingame/Hillsborough, START (San Mateo Recruitment and Training), and the Private Industry Council.

Ms. Saunders has been recognized for her selfless service as the recipient of the Soroptimist International's Women Helping Women Award, the Woman Of Economic and Social Development Award, the San Mateo County Labor Council C.O.P.E. Award, the United Way Labor Leadership Outstanding Volunteer Award, and the Mary Moshey Outstanding Community Volunteer Award. In 1994, Ms. Saunders was inducted into the San Mateo County Women's Hall of Fame as a tribute to her extraordinary achievements.

Mr. Speaker, in recognition of Marcy Vacura Saunderson's exemplary professional and personal accomplishments, Governor Gray Davis selected her as the Golden State's top advocate for working people. I commend and pledge my continued support to a most remarkable woman, whom I am honored to call my friend, and whom San Mateo County is proud to call its own—California State Labor Commissioner, Marcy Vacura Saunders.

TEACHER APPRECIATION WEEK

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. UNDERWOOD. Mr. Speaker, it is with great pride that I speak in honor of our nation's teachers, especially in appreciation for the teachers of our children in Guam. In addition to being our children's instructors, they are also our children's counselors, mentors, and friends.

Teachers run in my family's blood. My father was a teacher, and so is my mother. My wife and I are teachers, and my daughter is also a teacher.

It is a vocation with such truthful and honorable intent that it attracts a diverse following. We have teachers who are idealists and strive to continually engaging young minds in mental, social and cultural challenges to teachers who are realists secure in their knowledge that for our nation to progress, our children must be provided the best books and resources possible.

Teachers are a hardy lot. They experience setbacks such as budget cuts, increasing class sizes, decrepit school buildings and outdated textbooks, yet they persevere.

In a way, all of us are teachers. In our daily lives we are constantly showing our children or our colleagues how to accomplish certain tasks or how to view certain issues. But it takes a special person to make teaching their life's vocation. You must have a buoyant spirit, a gentle touch and an infinite amount of patience.

I would like to take this opportunity to especially congratulate one of these exemplary individuals on Guam, Ms. Barbara Gilman. She is Guam's 1999 Teacher of the Year and provides her excellent skills to the students of John F. Kennedy High School as their Physical Education instructor. It is not enough that Ms. Gilman has been featured in publications and the media, she has also won numerous awards on Guam such as the 1998 Outstanding Pacific Educator and a Resolution from the 24th Guam Legislature. Ms. Gilman's experiences are diverse. She is not only a current member of Phi Delta Kappa, the Guam Track and Field Association and the American Alliance for Health, Physical Education, Recreation and Dance, she is also involved in staff development leadership activities such as the current chair of the Fifth Guam Teacher Forum, a coordinator and presenter at the 1998 Women in Sports Day, and the 1995-1996 chair of the Governance Committee in Goals 2000. Ms. Gilman is an accomplished teacher and community leader. With 30 years of quality teaching experience under her belt, it is small wonder that she is being honored this year as Guam's Teacher of the Year.

I had a meeting with Ms. Gilman and she expressed to me the concerns teachers from all over the nation have expressed during their conference here in Washington in April. Among their concerns are students' equal access to education resources and funding, the improvement of teaching conditions through reduced class sizes and increasing access to equipment and communications, the encouragement of teacher development and leadership through the creation of teacher forums and mentoring programs, and the promotion of public understanding of involvement in educational issues such as school safety and certification.

The concerns listed by the Teachers of the Year are already addressed by President Clinton's plans to improve our nation's educational system. With the collaboration of Congress and under the leadership of Secretary Richard Riley, one of our nation's foremost educators, the U.S. Department of Education has implemented the first phase of its Class Size Reduction Initiative, a policy that sets out to hire 100,000 new teachers over the next seven years.

In light of the recent rash of school violence, the Safe Schools/Healthy Students Initiative grant program is timely. The program would fund 50 communities for up to three years to

link existing and new services and activities into a comprehensive community-wide approach for violence prevention and child development.

The teachers and children on Guam will certainly benefit from these programs, and I will work hard to ensure that Congress will continue to support these programs.

Again, to America's teachers, I congratulate you on this special occasion. To our Guam teachers, you deserve our sincerest gratitude for your leadership and guidance in our island's schools. To Ms. Barbara Gilman, thank you for your dedication to our island's children and for exemplifying the values and talents of a true teacher and mentor.

FIRST BAPTIST CHURCH OF SHEEPSHEAD BAY CELEBRATES CENTENNIAL ANNIVERSARY

HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. WEINER. I rise today to invite my colleagues to pay tribute to the First Baptist Church of Sheepshead Bay on the occasion of its Centennial Anniversary.

The members of the First Baptist Church of Sheepshead Bay have long been known for their commitment to community service and to enhancing the quality of life for all New York City residents.

This is not only a festive happening, it is a chance for all of us to celebrate and pay tribute to a group of individuals who have dedicated their lives to spreading the word of God and to providing spiritual comfort to their friends and neighbors.

Knowing that the men of the Sheepshead Bay Race Track and their families needed a place to worship, Mother Maria J. Fisher held prayer meetings either in her parlor or in the front rooms of charitable community residents. The First Baptist Church of Sheepshead Bay, which was formally incorporated by the State of New York in 1901, was organized on May 21, 1899 by Mother Fisher and the Reverend George O. Dixon of Alexandria, Virginia. Members who attended the Church's organizational session included: Messrs. Joseph Braxton, Tom Greene, William Jackson and Mesdames Edna Adams, Jessie Bogart, Bertha Greene, Anne Johnson, Ida Shaw, Susie Tucker, and Mary Woods. Members who were not already Christians were converted and baptized in the Concord Baptist Church of Brooklyn, New York.

Upon their return to Sheepshead Bay, they joined forces with Mother Fisher to create the First Mission. The site of the Mission was on the corner of Avenue X and East 15th Streets. An old ice box was used for the Pulpit and the members donated lamps and chairs for the Church to use. When it was difficult to meet at the Church, members would convene at the home of Mother Fisher, who lived at 2362 East 15th Street.

Mrs. Lena McMillian served as the Mission's first organist while Mesdames Sarah Lowe, Alice Robinson, Fannie Winston, Bertha Greene, Fannie Brown and William Forehand raised their voices to the Lord in the Mission's first choir. While serving as the Church's first Sunday School Superintendent, Mrs. Fannie